



Department of Business Regulation

233 Richmond Street
Providence, RI 02903

Insurance Bulletin Number 2004-1

Notification Requirements for Insurers with Lead Liability Exclusions

The Lead Hazard Mitigation Act goes into effect on July 1, 2004. On that date owners of pre-1978 residential rental housing will lose the protection of the “innocent owner” status that existed in prior law. Pursuant to Insurance Bulletin 2003-13, lead exclusions in policies issued prior to July 1, 2004 will remain in effect until expiration.

If a policy issued prior to July 1, 2004 excludes coverage for lead liability and the policy will not expire until after July 1, 2004, persons covered by those policies may be able to obtain “stand alone” lead liability coverage from the FAIR Plan beginning July 1, 2004. However, those insureds may not be aware of the availability of the FAIR Plan coverage until their next renewal.

To address this issue, all insurers that issued policies with lead liability exclusions where the policy period will extend past July 1, 2004 must provide written notification to insureds of the availability of FAIR Plan coverage. The insurer shall provide this notification directly or indirectly by the insurer through its producer. This written notice must be separately sent to the insured not later than June 1, 2004. Notices must also be sent prior to subsequent renewals as per Regulation 101. The notice shall be in at least 16-point type, clearly state that the policy does not include lead liability coverage and that the insured is eligible for lead liability coverage through the FAIR Plan unless otherwise ineligible. The notice must provide information on how the insured can contact the FAIR Plan, including the FAIR Plan's address and telephone number(s), including a toll free number.

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